

EXHIBIT B-1

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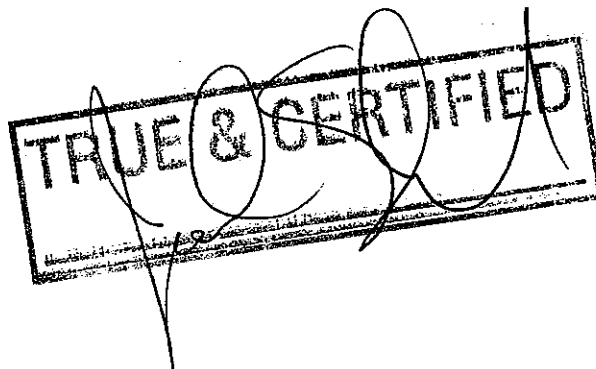
EXHIBIT B-1

IL 7032 (Ed. 6/99)

MULTILINE ACCOUNT POLICY

BUSINESSPRO[®]*

***THE BUSINESS PROTECTOR[®] PROGRAM—**
A Professional Approach For Your
Commercial Insurance Needs.




GREATSMAMERICAN.
INSURANCE GROUP



Administrative Offices
580 Walnut Street
Cincinnati, OH 45202
513.369.5000 ph

IL 70 01 (Ed. 02 89)

Policy No. MAC 1-32-13-86 - 02
Renewal Of MAC 1-32-13-86 - 01

BUSINESSPRO POLICY COMMON DECLARATIONS**NAMED INSURED AND ADDRESS:**

TRATAROS CONSTRUCTION, INC.
(SEE IL8802)
664 64TH ST.
BROOKLYN, NY 11220

POLICY PERIOD:

12:01 A.M. Standard Time at the
address of the Named Insured
shown at left.
From: 04/01/02 To: 04/01/03

**IN RETURN FOR PAYMENT OF THE PREMIUM,
AND SUBJECT TO ALL TERMS OF THIS
POLICY, WE AGREE WITH YOU TO PROVIDE
THE INSURANCE AS STATED IN THIS
POLICY.**

AGENT'S NAME AND ADDRESS:

ALLIED COVERAGE CORPORATION
390 NORTH BROADWAY
JERICHO NY 11753

Insurance is afforded by company indicated below:

GREAT AMERICAN INSURANCE COMPANY OF NEW YORK

(A capital stock corporation)

BUSINESS DESCRIPTION

This policy consists of the following Coverage
parts for which a premium is indicated. This
premium may be subject to adjustment

Premium

Commercial Property	\$ 16,525
Commercial General Liability	\$
Commercial Crime	\$
Commercial Inland Marine	\$ 19,621
Commercial Boiler and Machinery	\$ 1,981
Commercial Auto	\$
Commercial Umbrella	\$
NEW YORK STATE FIRE FEE	\$103

TOTAL \$ 38,230

Premium shown is payable: \$ 38,230 at inception:
\$

FORMS AND ENDORSEMENTS applicable to all Coverage Forms and made part of this
policy at time of issue are listed on the attached Forms and Endorsements
Schedule IL 88 01 (11/85).

Countersigned _____

Date _____

By _____

Authorized Representative _____



Administrative Offices
580 Walnut Street
Cincinnati, OH 45202
513.369.5000 ph

IL 70 02 (Ed. 11 85)

Policy No. MAC 1-32-13-86 - 02
Effective Date of Change 04/04/2002

BUSINESSPRO POLICY CHANGES**NAMED INSURED AND ADDRESS**

TRATAROS CONSTRUCTION, INC.
(SEE IL8802)
664 64TH ST.
BROOKLYN, NY 11220

POLICY PERIOD:

12:01 A.M. Standard Time at the
address of the Named Insured
shown at left.
From 04/01/02 To 04/01/03

THIS ENDORSEMENT CHANGES THE POLICY.**PLEASE READ IT CAREFULLY.****AGENT'S NAME AND ADDRESS:**

ALLIED COVERAGE CORPORATION
390 NORTH BROADWAY
JERICHO NY 11753

Insurance is afforded by company indicated below:

GREAT AMERICAN INSURANCE COMPANY OF NEW YORK

(A capital stock corporation)

INDEPENDENCE COMMUNITY BANK IS ADDED AS A MORTGAGEE AS PER FORM SB8802
ATTACHED.

NO CHANGE IN PREMIUM

FORMS AND ENDORSEMENTS hereby added: SB8802

FORMS AND ENDORSEMENTS hereby amended: SB8696

FORMS AND ENDORSEMENTS hereby deleted:

Countersigned _____

Date

By _____

Authorized Representative



Administrative Offices
580 Walnut Street
Cincinnati, OH 45202
513.369.5000 ph

IL 70 02 (Ed. 11 85)

Policy No. MAC 1-32-13-86 - 02
Effective Date of Change 04/11/02

BUSINESSPRO POLICY CHANGES**NAMED INSURED AND ADDRESS**

TRATAROS CONSTRUCTION, INC.
(SEE IL8802)
664 64TH ST.
BROOKLYN, NY 11220

POLICY PERIOD:

12:01 A.M. Standard Time at the
address of the Named Insured
shown at left.
From 04/01/02 To 04/01/03

THIS ENDORSEMENT CHANGES THE POLICY.**PLEASE READ IT CAREFULLY.****AGENT'S NAME AND ADDRESS:**

ALLIED COVERAGE CORPORATION
390 NORTH BROADWAY
JERICHO NY 11753

Insurance is afforded by company indicated below:

GREAT AMERICAN INSURANCE COMPANY OF NEW YORK

(A capital stock corporation)

LOSS PAYEE IS ADDED.

NO CHANGE IN PREMIUM

FORMS AND ENDORSEMENTS hereby added: CM7869

FORMS AND ENDORSEMENTS hereby amended:

FORMS AND ENDORSEMENTS hereby deleted:

Countersigned _____
DateBy _____
Authorized Representative



Administrative Offices
580 Walnut Street
Cincinnati, OH 45202
513.369.5000 ph

IL 70 02 (Ed. 11 85)

Policy No. MAC 1-32-13-86 - 02
Effective Date of Change 12/09/02

BUSINESSPRO POLICY CHANGES**NAMED INSURED AND ADDRESS**

TRATAROS CONSTRUCTION, INC.
(SEE IL8802)
664 64TH ST.
BROOKLYN, NY 11220

POLICY PERIOD:

12:01 A.M. Standard Time at the
address of the Named Insured
shown at left.
From 04/01/02 To 04/01/03

THIS ENDORSEMENT CHANGES THE POLICY.**PLEASE READ IT CAREFULLY.****AGENT'S NAME AND ADDRESS:**

ALLIED COVERAGE CORPORATION
390 NORTH BROADWAY
JERICHO NY 11753

Insurance is afforded by company indicated below:

GREAT AMERICAN INSURANCE COMPANY OF NEW YORK

(A capital stock corporation)

THE FOLLOWING ENTITY IS ADDED AS A NAMED INSURED: GDJ NEW HORIZONS, INC.

LOCATION 4 IS ADDED: 6402 7TH AVE., BROOKLYN, NY. \$300,000 CONTENTS,
\$150,000 BI/EE.

LOSS PAYEE IS ADDED.

\$564 A/P PLUS \$3 NYFIF

FORMS AND ENDORSEMENTS hereby added: CP1218

FORMS AND ENDORSEMENTS hereby amended: SB8696 SB8627 BM7210

FORMS AND ENDORSEMENTS hereby deleted:

Countersigned _____

Date

By _____

Authorized Representative



Administrative Offices
580 Walnut Street
Cincinnati, Ohio 45202
Tel: 1-513-369-5000

IL 88 01 (Ed. 11 85)

BUSINESSPRO FORMS AND ENDORSEMENTS SCHEDULE

It is hereby understood and agreed the following forms and endorsements are attached to and are a part of this policy:

			Date Added* or ST Date Deleted	Form Description
1.	IL0017	11/98	NY	COMMON POLICY CONDITIONS
2.	IL0183	04/98	NY	NY CHANGES - FRAUD
3.	IL0185	04/98	NY	NY CHANGES - CALCULATION OF PREMIUM
4.	IL7135	07/00	NY	NY CHANGES-CANCELLATION/NONRENEWAL
5.	IL8802	11/85	NY	BUSINESSPRO GENERAL ENDORSEMENT
6.				
7.				
8.				
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20.				
21.				
22.				

*If not at inception

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our

consent. This policy's terms can be amended or waived only by endorsement issued by us and made part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

1. We have the right to:
 - a. make inspections and surveys at any time;
 - b. give you reports on the conditions we find; and
 - c. recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. are safe or healthful; or
 - b. comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. PREMIUMS

The first Named Insured shown in the Declarations:

1. is responsible for the payment of all premiums; and
2. will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

IN WITNESS WHEREOF, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.


Secretary


President

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES - FRAUD

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART - FARM PROPERTY - OTHER FARM PROVISIONS FORM -
ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS
FARM COVERAGE PART - MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM
FARM COVERAGE PART - LIVESTOCK COVERAGE FORM

The **CONCEALMENT, MISREPRESENTATION OR FRAUD** Condition is replaced by the following:

FRAUD

We do not provide coverage for any Insured ("Insured") who has made fraudulent statements or engaged in fraudulent conduct in connection with any loss ("loss") or damage for which coverage is sought under this policy.

However, with respect to insurance provided under the **COMMERCIAL AUTOMOBILE COVERAGE PART**, we will provide coverage to such "Insured" for damages sustained by any person who has not made fraudulent statements or engaged in fraudulent conduct if such damages are otherwise covered under the policy.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES - CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY - NEW YORK

- A. For policies with fixed terms in excess of one year, or policies with no stated expiration date, except as provided in Paragraph B., the following applies:

The premium shown in the Declarations was computed based on rates and rules in effect at the time the policy was issued. On each renewal or continuation of this policy, we will compute the premium in accordance with our rates and rules then in effect.

- B. For policies with fixed terms in excess of one year, where premium is computed and paid annually, the following applies:

1. The premium shown in the Declarations was computed based on rates and rules in effect at the time the policy was issued. Such rates and rules will be used to calculate the premium at each anniversary, for the entire term of the policy, unless the specific reasons described in Paragraphs 2. or 3. apply.
2. The premium will be computed based on the rates and rules in effect on the anniversary date of the policy only when,

subsequent to the inception of the current policy period, one or more of the following occurs:

- a. after issuance of the policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and that occurred subsequent to inception of the current policy period;
- b. a material physical change in the property insured, occurring after issuance or last anniversary renewal date of the policy, causes the property to become uninsurable in accordance with underwriting standards in effect at the time the policy was issued or last renewed; or
- c. a material change in the nature or extent of the risk, occurring after issuance or last anniversary renewal date of the policy, which causes the risk of "loss" to be substantially and materially increased beyond that contemplated at the time the policy was issued or last

renewed.

3. If subsequent to the inception of the current policy period, the Limit of Insurance is increased, or Additional Coverages or Causes of Loss are insured, the rate and rules in effect at the time of the change will be applied to calculate the premium and will continue to apply to the change at subsequent anniversary dates.



Administrative Offices
580 Walnut Street
Cincinnati, Ohio 45202
Tel: 1-513-369-5000

IL 71 35
(Ed. 07 00)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BARBER AND BEAUTY SHOP PROFESSIONAL LIABILITY FORM
BOILER AND MACHINERY COVERAGE PART
CHURCH DIRECTORS AND OFFICERS COVERAGE FORM
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CONDOMINIUM COOPERATIVE LEGAL LIABILITY COVERAGE FORM
EMPLOYEE BENEFITS LIABILITY COVERAGE FORM EXCLUDING FIDUCIARY LIABILITY
EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM
FARM COVERAGE PART
FUNERAL DIRECTORS OR CEMETERY LIABILITY COVERAGE FORM
LIQUOR LIABILITY COVERAGE PART
PASTORAL PROFESSIONAL LIABILITY INSURANCE COVERAGE FORM
PRINTERS ERRORS AND OMISSIONS LIABILITY COVERAGE FORM
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
SELECT BUSINESS POLICY
SOCIAL WORKERS' PROFESSIONAL LIABILITY COVERAGE FORM

A. Paragraphs 1., 2., 3. and 5. of the CANCELLATION Common Policy Condition are replaced by the following:

1. The first Named Insured shown in the Declarations may cancel this entire policy by mailing or delivering to us advance written notice of cancellation.

2. Cancellation Of Policies In Effect:

a. 60 Days or Less

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

(1) 30 days before the effective date of cancellation if we cancel for any reason not included in Paragraph A.2.a.(2) below.

(2) 15 days before the effective date of cancellation if we cancel for any of the following reasons:

(a) nonpayment of premium;

(b) conviction of a crime arising out of acts increasing the hazard insured against;

(c) discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim;

(d) after issuance of the policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially

increases the hazard insured against, and that occurred subsequent to inception of the current policy period;

(e) material physical change in the property insured, occurring after issuance or last annual renewal anniversary date of the policy, that results in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, that causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;

(f) required pursuant to a determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public;

(g) a determination by the Superintendent that the continuation of the policy would violate, or would place us in violation of, any provision of the Insurance Code; or

(h) where we have reason to believe, in good faith and with sufficient cause, that there is a probable risk of danger that the Insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. If we cancel for this

reason, you may make a written request to the Insurance Department, within 10 days of receipt of this notice, to review our cancellation decision. Also, we will simultaneously send a copy of this cancellation notice to the Insurance Department.

b. For More Than 60 Days

If this policy has been in effect for more than 60 days, or if this policy is a renewal or continuation of a policy we issued, we may cancel only for any of the reasons listed in Paragraph A.2.a.(2) above, provided we mail the first Named Insured written notice at least 15 days before the effective date of cancellation.

3. We will mail or deliver our notice, including the reason for cancellation, to the first Named Insured at the address shown in the policy and to the authorized agent or broker.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata.

However, when the premium is advanced under a premium finance agreement, the cancellation refund will be pro rata. Under such financed policies, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. The following is added to the CANCELLATION Common Policy Condition:

7. If one of the reasons for cancellation in Paragraphs A.2.a.(2) or D.2.b.(2) exists, we may cancel this entire policy, even if the reason for cancellation pertains only to a new coverage or endorsement initially effective subsequent to the original issuance of this policy.

C. The following **CONDITIONS** are added:

1. **Nonrenewal**

If we decide not to renew this policy we will send notice as provided in Paragraph C.3. below.

2. **Conditional Renewal**

If we conditionally renew this policy subject to a:

- a. change of limits;
- b. change in type of coverage;
- c. reduction of coverage;
- d. increased deductible;
- e. addition of exclusion; or
- f. increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

we will send notice as provided in Paragraph C.3. below.

3. **Notices Of Nonrenewal And Conditional Renewal**

- a. If we decide not to renew this policy or to conditionally renew this policy as provided in Paragraphs C.1. and C.2. above, we will mail or deliver written notice to the first Named Insured shown in the Declarations at least 60 but not more than 120 days before:

- (1) the expiration date; or
- (2) the anniversary date if this is a continuous policy.

- b. Notice will be mailed or delivered to the first Named Insured at the address shown in the policy and to the authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.

- c. Notice will include the specific reason(s) for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.

- d. If we violate any of the provisions of Paragraphs C.3.a., b. or c. above by sending the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice:

- (1) Coverage will remain in effect at the same terms and conditions of this policy at the lower of the current rates or the prior period's rates until 60 days after such notice is mailed or delivered, unless the first Named Insured, during this 60 day period, has replaced the coverage or elects to cancel.

- (2) On or after the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy for another policy period, at the lower of the current rates or the prior period's rates, unless the first Named Insured, during this additional period, has replaced the coverage or elects to cancel.

- e. We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the policy has been replaced or is no longer desired.

D. The following provisions apply when the **COMMERCIAL PROPERTY COVERAGE PART**, **FARM COVERAGE PART** or the **SELECT BUSINESS POLICY** is made a part of this policy:

- 1. Items D.2. and D.3. apply if this policy meets the following conditions of:

- a. the policy is issued or issued for delivery in New York State covering property located in this state; and
- b. the policy insures:

- (1) for loss of or damage to structures, other than hotels or motels, used predominantly for residential purposes and consisting of no more than four dwelling units; or
 - (2) for loss of or damage to personal property other than farm personal property or business property; or
 - (3) against damages arising from liability for loss of, damage to or injury to persons or property, except liability arising from business or farming; and
- c. The portion of the annual premium attributable to the property and contingencies described in 1.b. exceeds the portion applicable to other property and contingencies.

2. Paragraph 2. of the **CANCELLATION** Common Policy Condition is replaced by the following:

2. Procedure and Reasons for Cancellation

a. We may cancel this entire policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

b. But if this policy:

- (1) has been in effect for more than 60 days; or
- (2) is a renewal of a policy we issued:

we may cancel this policy only for one or more of the following reasons:

- (1) nonpayment of premium;

- (2) conviction of a crime arising out of acts increasing the risk of loss;
- (3) discovery of fraud or material misrepresentation in obtaining the policy or in making a claim;
- (4) discovery of willful or reckless acts or omissions increasing the risk of loss;
- (5) physical changes in the covered property that make that property uninsurable in accordance with our objective and uniformly applied underwriting standards in effect when we:

(a) issued the policy; or

(b) last voluntarily renewed the policy;

- (6) the Superintendent of Insurance's determination that continuing the policy would violate Chapter 28 of the Insurance Law; or
- (7) required pursuant to a determination by the Superintendent of Insurance that the continuation of our present premium volume would be hazardous to the interests of our policyholders, our creditors or the public.

3. The following are added:

a. Conditional Continuation

Instead of cancelling this policy, we may continue it on the condition that:

- (1) the policy limits be changed; or
- (2) any coverage not required by law be eliminated.

If this policy is conditionally continued, we will mail or deliver to the first Named Insured written notice at least 20 days before the effective date of the change or elimination. We will mail

or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

b. Nonrenewal

If, as allowed by the laws of New York State, we:

- (1) do not renew this policy; or
- (2) condition policy renewal upon:

- (a) change of limits; or
- (b) elimination of coverage;

we will mail or deliver written notice of nonrenewal or conditional renewal:

- (a) at least 45 days; but
- (b) not more than 60 days;

before the expiration date of the policy. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

E. The following is added to the FARM PROPERTY - OTHER FARM PROVISIONS FORM - ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS, COMMERCIAL PROPERTY COVERAGE PART, and the SELECT BUSINESS POLICY:

When the property is subject to the Anti-Arson Application in accordance with New York Insurance Department Regulation No. 96, the following provisions are added:

If you fail to return the completed, signed and affirmed anti-arson application to us:

- 1. Or our broker or agent within 45 days of the effective date of a new policy, we will cancel the entire policy by giving 20 days' written notice to you and to the mortgageholder shown in the Declarations.

- 2. Before the expiration date of any policy, we will cancel the policy by giving written notice to you and to the mortgageholder shown in the Declarations at least 15 days before the effective date of cancellation.

The cancellation provisions set forth in E.1. and E.2. above supersede any contrary provisions in this policy including this endorsement.

If the notice in E.1. or E.2. above is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

F. The following applies to the COMMERCIAL PROPERTY COVERAGE PART, FARM COVERAGE PART and the SELECT BUSINESS POLICY:

Paragraphs f. and g. of the Mortgageholders Condition are replaced by the following:

f. Cancellation

- (1) If we cancel this policy, we will give written notice to the mortgageholder at least
 - (a) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (b) 30 days before the effective date of cancellation if we cancel for any other reason.
- (2) If you cancel this policy, we will give written notice to the mortgageholder. With respect to the mortgageholder's interest only, cancellation will become effective on the later of:
 - (a) the effective date of cancellation of the Insured's coverage; or
 - (b) 10 days after we give notice to the mortgageholder.

g. Nonrenewal

- (1) If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

(2) If you elect not to renew this policy, we will give written notice to the mortgageholder. With respect to the mortgageholder's interest only, non-renewal will become effective on the later of:

(a) the expiration date of the policy; or

(b) 10 days after we give notice to the mortgageholder.

G. The following provisions apply when the following are made a part of this policy:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM LIABILITY COVERAGE PART

LIQUOR LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

1. The aggregate limits of this policy as shown in the Declarations will be increased in proportion to any policy extension provided in accordance with Paragraph C.3.d. above.

2. The last sentence of **Limits of Insurance** does not apply when the policy period is extended because we sent the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice.

Administrative Offices
580 Walnut Street
Cincinnati, Ohio 45202
Tel: 1-513-369-5000

IL 88 02 (Ed. 11 85)

GREAT AMERICAN
INSURANCE GROUP

BUSINESSPRO GENERAL ENDORSEMENT

NAMED INSURED

TRATAROS CONSTRUCTION, INC.

TRATAROS CONSTRUCTION, INC., 401K

SPIRO CONSTRUCTION, INC.

TRATAROS SE

N.P.S. REALTY, INC.



Administrative Offices
580 Walnut Street
Cincinnati, Ohio 45202
Tel: 1-513-369-5000

IL 88 02 (Ed. 11 85)

BUSINESSPRO GENERAL ENDORSEMENT**CANCELLATION CLAUSE**

CANCELLATION CLAUSE A.2. ON COMMON POLICY CONDITIONS FORM IL0017 AND CANCELLATION CLAUSES A.2.A. AND A.2.B. ON NEW YORK CHANGES ENDORSEMENT IL7135 ARE AMENDED AS FOLLOWS:

10 DAYS NOTICE IS REQUIRED IF THE CANCELLATION IS DUE TO NONPAYMENT OF PREMIUM;

60 DAYS NOTICE IS REQUIRED IF THE CANCELLATION IS FOR ANY OTHER REASON.

Administrative Offices
580 Walnut Street
Cincinnati, Ohio 45202
Tel: 1-513-369-5000

GREAT AMERICAN
INSURANCE GROUP

SB 86 96 (Ed. 11 97)

Policy No: MAC 1-32-13-86 - 02

SELECT BUSINESS POLICY PLUS

NAMED INSURED: TRATAROS CONSTRUCTION, INC.
(SEE IL8802)

POLICY PERIOD:
04/01/02 to 04/01/03

TOTAL PROPERTY PREMIUM: \$ 17,034

DEDUCTIBLE AMOUNTS:

\$ 1,000 EDP Mechanical breakdown \$ NOT COV. In transit

\$ 1,000 All other

NOT AT A DESCRIBED PREMISES:

Insurance is provided only for those coverages for which a Limit of Insurance has been inserted:

	Newly Acquired or Constructed Locations	At any other location	In transit, in or on any one conveyance unit
Building	\$ 500,000	\$ NOT COVERED	NOT COVERED
Business Personal Property	\$ 250,000	\$ NOT COVERED	\$ NOT COVERED
Business Income	\$ NOT COVERED	\$ NOT COVERED	NOT COVERED
Extra Expense	\$ NOT COVERED	\$ NOT COVERED	NOT COVERED

DESCRIBED PREMISES:

At the locations specified below, insurance is provided for those coverages for which a Limit of Insurance has been inserted:

Location: Building: Address: PER SB8627

BUILDING: Limit \$ Valuation

BUSINESS PERSONAL PROPERTY: Limit \$ Valuation

BUSINESS INCOME INCLUDING EXTRA EXPENSE: Limit \$

MORTGAGEHOLDER:

(SEE SB8802)

SUPPLEMENTARY COVERAGES

The coverages below apply per location. If you purchase additional limits for any of these coverages at a specific location, the Limits of Insurance shown at that location will reflect your total limits, including the Limits of Insurance shown below.

- A. The Limits of Insurance shown below are provided for the Coverages listed and apply separately at each of your premises. If there is no separate deductible indicated, the Property Deductible will apply.

\$	25,000	Accounts Receivable
\$	10,000	Debris Removal
		Electronic Data Processing
\$	PER SB8802	Equipment
\$	25,000	Data, Programs, Media
\$	5,000	Extra Expense
\$	25,000	Extra Expense
\$	5,000	Fire Department Services Charge
\$	2,500	Fire Protection Device Recharge
\$	5,000	Loss Data Preparation Costs
\$	5,000	Personal Effects
\$	10,000	Pollutant Clean Up and Removal
\$	25,000	Valuable Papers

- B. When Business Income Coverages is included in the Declarations, the following Limits of Insurance below are provided for the Coverages listed and apply separately at each of your premises:

\$	100,000	Dependent Property Business Income
\$	100,000	Unfinished Stock in Transit

- C. When Business Income Coverage is included in the Declarations, the following coverages are provided up to the Business Income Limit of Insurance. These are extensions of coverage, not additional Limits of Insurance:

Utility Services (including Overhead Power Transmission Lines)

FORMS AND ENDORSEMENTS applicable to this Coverage Part and made a part of this Policy at the time of issue are listed on the attached Forms and Endorsements Schedule, SB 88 01 (11/85).



Administrative Offices
580 Walnut Street
Cincinnati, Ohio 45202
Tel: 1-513-369-5000

SB 86 01
(Ed. 11 97)

SELECT BUSINESS POLICY CONDITIONS

This Coverage Part is subject to the following conditions:

GENERAL CONDITIONS

A. Concealment, Misrepresentation Or Fraud

This Coverage Part is void in any case of fraud by you at any time relating to this insurance. It is also void if you or any other Insured, at any time, intentionally conceal or misrepresent a material fact at concerning:

1. this Coverage Part;
2. the Covered Property;
3. your interest in the Covered Property; or
4. a claim under this Coverage Part.

B. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

1. there has been full compliance with all of the terms of this Coverage Part; and
2. the action is brought within 2 years after the date on which the direct physical loss or damage occurred.

D. Liberalization

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

E. No Benefit To Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

F. Policy Period, Coverage Territory

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. during the policy period shown in the Declarations; and
 - b. within the Coverage Territory.
2. The Coverage Territory is:
 - a. the United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

G. Mortgageholders

1. The term "mortgageholder" includes trustee.
2. We will pay for covered loss of or damage to building or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

3. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
4. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - a. pays any premium due under this Coverage Part if you have failed to do so;
 - b. submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - c. has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

5. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part
 - a. the mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - b. the mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

6. If we cancel this policy, we will give written notice to the mortgageholder at least
 - a. 10 days before the effective date of cancellation if we cancel for your nonpayment or premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.

7. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

LOSS CONDITIONS

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal

If we and you disagree on the value of the property, the amount of Net Income and operating expense, or the amount of physical loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property, the amount of Net Income and operating expense, and the amount of physical loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. pay its chosen appraiser; and
2. bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

C. Duties In The Event Of Loss Or Damage

1. You must see that the following are done in the event of loss or damage to Covered Property:
 - a. Notify the police if a law may have been broken.
 - b. Give us prompt notice of the loss or damage. Include a description of the property involved.
 - c. As soon as possible, give us a description of how, when, and where the loss or damage occurred.

d. Take all reasonable steps to protect the Covered Property from further damage by a Covered Cause of Loss, and keep a record of your expenses necessary to protect the Covered Property from such loss, for consideration in the settlement of the claim. However we will not pay for any subsequent loss or damage resulting from a Cause of Loss that is not a covered Cause of Loss. This will not increase the Limit of Insurance. Also, if feasible, set damaged property aside and in the best possible order, for examination.

e. At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

f. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records. Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

g. Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

h. Cooperate with us in the investigation or settlement of the claim.

2. We may examine any Insured under oath while not in the presence of any other Insured and at such times as may be reasonably required, about any matter relating to this insurance or claim, including an Insured's books and records. In the event of an examination, an Insured's answers must be signed.

D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

E. Loss Payment

1. In the event of direct physical loss or damage covered by this Coverage Part, at our option and subject to any applicable Deductible provision, or Loss Condition, we will either:

a. pay the value of lost or damaged property, as specified in K. **Valuation** below;

b. pay the cost of repairing or replacing the lost or damaged property, subject to 2. below;

c. take all or any part of the property at an agreed or appraised value; or

d. repair, rebuild or replace the property with other property of like kind and quality subject to 2. below.

2. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

3. The amount of Business Income loss will be determined based on:

a. the Net Income of the business before the direct physical loss or damage occurred;

b. the likely Net Income of the business if no physical loss or damage had occurred but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;

c. the operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and

d. other relevant sources of information, including:

(1) your financial records and accounting procedures;

(2) bills, invoices and other vouchers;
and

(3) deeds, liens, or contracts.

4. The amount of Extra Expense will be determined based on:

a. All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:

(1) the salvage value that remains of any property bought for temporary use during the "period of restoration," once "operations" are resumed; and

(2) any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

b. Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

5. We will give notice of our intentions within 30 days after we receive the sworn statement of loss.

6. We will not pay you more than your insurable interest in the Covered Property.

7. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their insurable interest in the Covered Property.

8. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

9. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and;

a. we have reached agreement with you on the amount of loss; or

b. an appraisal award has been made.

F. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance or more than the actual amount of loss or damage.

G. Recovered Property

1. If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

2. If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If so, you may, at your own expense:

a. stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or

b. remove the the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.

H. Resumption Of Operations**1. We will reduce the amount of your:**

- a. Business Income loss, other than Extra Expense, to the extent you can resume your "operations," in whole or in part by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- b. Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

- 2. If you do not resume "operations," or do not resume "operations" as quickly as possible, we will pay losses based on the length of time it would have taken to resume "operations" as quickly as possible.

I. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- 1. Prior to a loss to your Covered Property or Covered Income.
- 2. After a loss to your Covered Property or Covered Income only if, at the time of loss, that party is one of the following:
 - a. someone insured by this insurance;
 - b. a business firm:
 - (1) owned or controlled by you; or
 - (2) that owns or controls you; or
 - c. your tenant.

This will not restrict your insurance.

J. Vacancy**1. Description of Terms**

- a. As used in the Vacancy Condition, the term building and the term vacant have the following meaning:

- (1) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means that unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
- (2) When this policy is issued to the owner of a building, building means the entire building. Such building is vacant when 70% or more of its square footage:

- (a) is not rented; or

- (b) is not used to conduct customary operations.

- b. Buildings under construction or renovation are not considered vacant.

2. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- a. We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

- (1) vandalism;

- (2) sprinkler leakage, unless you have protected the system against freezing;

- (3) building glass breakage;

- (4) water damage;

- (5) theft; or

- (6) attempted theft.

- b. With respect to Covered Causes of Loss other than those listed in 2.(a)(1) through 2.(a)(6) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

K. Valuation

- 1. If actual cash value is indicated in the Declarations as the method of valuation we will determine the value of Covered Property in the event of loss or damaged as follows:

- a. At actual cash value as of the time of loss or damage except as provided in b. through h. below.
- b. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- c. Finished "stock" you have manufactured at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety glazing material if required by law.
- e. Tenant's Improvements and Betterments at

- (1) Actual cash value of the loss or damage property if you make repairs promptly.

- (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

- (a) multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

- (b) divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

- (3) Nothing if others pay for repairs or replacement.

- f. Valuable Papers and Records, including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:

- (1) blank materials for reproducing the records; and

- (2) labor to transcribe or copy the records when there is a duplicate.

- g. Exhibitions and displays at your cost.

- h. Patterns, molds, models, and dies at replacement cost if actually replaced, otherwise at actual cash value.

- 2. If replacement cost is indicated in the Declarations as the method of valuation we will determine the value of Covered Property in the event of loss or damage as follows:

- a. At replacement cost (without deduction for depreciation) as of the time of loss or damage except as provided in b. through j. below:

- b. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

- c. Finished "stock" you have manufactured, at the selling price less discounts and expenses you otherwise would have had.

- d. Glass at the cost of replacement with safety glazing material if required by law.

- e. Tenant's Improvements and Betterments at

- (1) Replacement cost of the loss or damaged property if you make repairs promptly.

- (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
- (a) multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease;
 - (c) if your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (3) Nothing if others pay for repairs or replacement.
- f. Valuable Papers and Records, including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:
- (1) blank materials for reproducing the records; and
 - (2) labor to transcribe or copy the records when there is a duplicate.
- g. Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac at actual cash value.
- h. We will not pay on a replacement cost basis for any loss or damage:
- (1) until the lost or damaged property is actually repaired or replaced; and
- (2) unless the repairs or replacement are made:
- (a) as soon as reasonably possible after the loss or damage; or
 - (b) if claim was initially made on an actual cash basis, as soon as reasonably possible after you notify us, within 12 months after the loss or damage, of your intent to make claim on a replacement cost basis.
- i. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3) subject to k. below:
- (1) the Limit of Insurance applicable to the lost or damaged property;
 - (2) the cost to replace, on the same premises, the lost or damaged property with other property:
 - (a) of comparable material and quality; and
 - (b) used for the same purpose; or
 - (3) the amount you actually spend that is necessary to repair or replace the lost or damaged property.
- j. The cost of repair or replacement does not include any increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.



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SB 86 02
(Ed. 11 97)

SELECT BUSINESS POLICY BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and what is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION J - DEFINITIONS**.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property shown in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this Section, **A.1**, and limited in **A.2, Property Not Covered**, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

- (1) completed additions;
- (2) fixtures, including outdoor fixtures and signs;
- (3) permanently installed:
 - (a) machinery;
 - (b) equipment; and
 - (c) foundations of machinery, tanks and their component parts, including all connections thereto which are below the undersurface of the lower basement floor, or where there is no basement, below the surface of the ground.

(4) personal property owned by you that is used to maintain or service the building or structure or its premises, including but not limited to:

- (a) fire extinguishing equipment;
- (b) outdoor furniture;
- (c) floor coverings; and
- (d) appliances used for refrigerating, ventilating, cooking, dish washing or laundering;

(5) if not covered by other insurance, additions under construction, alterations and repairs to the building or structure;

b. Your Business Personal Property as shown in the Declarations, including:

- (1) personal property owned by you and used in your business;
- (2) labor, materials or services furnished or arranged by you on personal property of others;
- (3) your use interest as tenant in improvements and Betterments made a part of the building or structure you occupy but do not own;
- (4) leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others; and

(5) signs, including signs attached to buildings, provided there is no coverage for the sign under the Building Covered Property.

c. **Personal Property of Others** that is in your care, custody or control as shown on the declarations.

However, our payment for loss of, or damage to Personal Property of Others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. accounts, bills, currency, deeds, evidences of debt, money, notes or securities;
- b. animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. automobiles held for sale;
- d. bridges;
- e. contraband, or property in the course of illegal transportation or trade;
- f. foundations of buildings, structures, or boilers if their foundations are below:
 - (1) the lowest basement floor; or
 - (2) the surface of the ground, if there is no basement;
- g. land (including land on which the property is located), water (including groundwater), growing crops or lawns;
- h. personal property while waterborne (other than while on regular ferries or railroad car floats);

i. underground pipes, flues or drains except as provided under **A.1.a.(3)(c)**;

j. vehicles or self-propelled machines (including aircraft or watercraft) that:

- (1) are licensed for use on public roads; or
- (2) are operated principally away from the described premises.

This paragraph does not apply to:

- (1) vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (2) vehicles or self-propelled machines, other than autos, you hold for sale; or
- (3) rowboats or canoes out of water at the described premises;
- k. the following property while outside of buildings:
 - (1) grain, hay, straw or other crops;
 - (2) trees, shrubs or plants, piers, wharves, docks or retaining walls, all except as provided in the Coverage Extensions.
- l. the cost to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media.

B. COVERED CAUSES OF LOSS

Covered Causes of Loss means **RISKS OF DIRECT PHYSICAL LOSS** unless the loss is:

- 1. Excluded in Section C. Exclusions; or
- 2. Limited in Section D. Limitations;

that follow.

C. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance or Law

The enforcement of any ordinance or law:

- (1) regulating construction; use or repair of any property; or
- (2) requiring the tearing down of any property including the cost of removing its debris.

This exclusion, Ordinance or Law, applies whether the loss results from:

- (1) an ordinance or law that is enforced even if the property has not been damaged; or
- (2) the increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a direct physical loss or damage to that property.

b. Earth Movement

- (1) Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire, theft, or explosion, we will pay for the loss or damage caused by that fire or explosion.
- (2) Volcanic eruption, explosion or effusion. But, if volcanic eruption, explosion or effusion results in fire, building glass breakage or volcanic action, we will pay for that resulting loss or damage.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) airborne volcanic blast or airborne shockwaves;
- (b) ash, dust or particulate matter; or
- (c) lava flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion does not apply to Covered Personal Property in due course of transit.

c. Governmental Action

Seizure or destruction of property by order of governmental authority. But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. Utility Services

The failure of power or other utility service supplied to the described premises however caused, if the failure occurs away from the described premises.

But if the failure of power or other utility services results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss.

e. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation or radioactive contamination results in fire we will pay for that loss or damage caused by the fire.

f. War and Military Action

- (1) War, including undeclared or civil war;
- (2) warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not.
- (2) Mudslide or mudflow.

But if Water, as described in g.(1) and g.(2) above results in fire, explosion, theft or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion, theft or sprinkler leakage.

This exclusion does not apply to Covered Personal Property in due course of transit.

2. We will not pay for loss or damage caused by or resulting from any of the following:

- a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.

- c. Smoke, vapor or gas from agricultural smudging or industrial operations.

- d. (1) Wear and tear;

- (2) rust, corrosion, fungus, decay, deterioration, spoilage, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

- (3) smog;

- (4) settling, cracking, shrinking or expansion;

- (5) nesting or infestation or discharge or release of waste products or secretions by insect, birds, rodents or other animals.

- (6) mechanical breakdown, including rupture or bursting caused by centrifugal force; or

- (7) the following causes of loss to personal property;

- (a) dampness or dryness of atmosphere;

- (b) cold or heat;

- (c) marring or scratching.

But if an excluded cause of loss that is listed in 2.d (1) through (7) results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines, or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

f. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

- (1) you do your best to maintain heat in the building or structure; or
- (2) you drain the equipment and shut off the supply if the heat is not maintained.

g. Dishonest or criminal act by you, any of your partners, employees (including leased employees) directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) acting alone or in collusion with others; or
- (2) whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.

h. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

i. Rain, snow, ice or sleet to personal property in the open.

j. Collapse, except as provided below in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

k. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release

or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

3. We will not pay for loss or damage caused by or resulting from any of the following 3a. through 3c. But if an excluded Cause of Loss that is listed in 3a. through 3c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:

(1) planning, zoning, development, surveying, siting;

(2) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) materials used in repair, construction, renovation or remodeling; or

(4) maintenance;

of part or all of any property on or off the described premises.

D. LIMITATIONS

1. We will pay for direct physical loss or damage to Covered Personal Property which is in due course of transit at your risk if the Covered Personal Property is:

a. in the custody of a carrier or bailee for hire; or

b. on vehicles you own or operate; but

only up to the Transit Limit of Insurance shown in the Declarations and subject to the Transit deductible shown in the Declarations.

2. We will not pay for loss or damage to any of the following types of property if the loss or damage occurs at an unnamed location or while in transit

- a. Musical Instruments
- b. Contractors' Equipment, including Cranes

This limitation does not apply to musical instruments or contractors equipment you manufacture, process or hold for sale.

3. We will not pay for loss or damage to:

- a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
- c. Property that is missing, where the only evidence of the loss or damage is the shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- d. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

4. We will not pay more than \$10,000 for loss or damage to the interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

- a. the building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
- b. the loss or damage is caused by or results from thawing of snow, sleet or ice on the building structure.

5. We will only pay for loss of or damage to animals if the loss or damage is caused by any of the "specified causes of loss" or building glass breakage, and then only if they are killed or their destruction is made necessary.

6. The special limit shown for each category, a. through c., is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:

- a. \$2,500 for furs, fur garments and garments trimmed with fur.
- b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c. \$250 for stamps, tickets (including lottery tickets held for sale) and letters of credit.

7. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder, or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- a. results in discharge of any substance from any automatic fire protection system; or
- b. is directly caused by freezing.

E. ADDITIONAL COVERAGES**1. Collapse**

The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in 1.a. through 1.e. below.

a. We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building insured under this Coverage Form, if the collapse is caused by one or more of the following:

- (1) the "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Form;
- (2) hidden decay;
- (3) hidden insect or vermin damage;
- (4) weight of people or personal property;
- (5) weight of rain that collects on a roof;
- (6) use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in 1.a.(1) through 1.a.(6), we will pay for the loss or damage even if the use of defective material or methods, in construction, remodeling or renovation, contributed to the collapse.

b. If the direct physical loss or damage does not involve collapse of a building we will pay for loss or damage to Covered Property caused by the collapse of personal property only if:

- (1) the personal property which collapses is inside a building; and

- (2) the collapse was caused by a cause of loss listed in 1.a.(1) through 1.a.(6) above.

c. With respect to the following property:

- (1) outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
- (2) awnings, gutters and downspouts;
- (3) yard fixtures;
- (4) outdoor swimming pools;
- (5) fences;
- (6) piers, wharves, and docks;
- (7) beach or diving platforms or appurtenances;
- (8) retaining walls; and
- (9) walks, roadways and other paved surfaces;

if the collapse is caused by a Cause of Loss listed in 1.a.(1) through 1.a.(6), we will pay for loss or damage to that property only if;

- (1) such loss or damage is a direct result of the collapse of a building insured under this Coverage Form; and
- (2) the property is Covered Property under this Coverage Form.

d. Collapse does not include settling, cracking, shrinkage, bulging or expansion.

e. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Form.

No Deductible applies to this Additional Coverage.

2. Debris Removal

a. We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of

Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (1) the date of direct physical loss or damage; or
 - (2) the end of the policy period.
- b. The most we will pay under this Additional Coverage is 25% of:
- (1) the amount we pay for the direct physical loss of or damage to Covered Property; plus
 - (2) the deductible in this Coverage Form applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in the Limits of Insurance section.

- c. This Additional Coverage does not apply to the cost to:
- (1) extract "pollutants" from land or water; or
 - (2) remove, restore or replace polluted land or water.

3. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to the limit specified in the Declarations for this Additional Coverage for your liability for fire department service charges:

- a. assumed by contract or agreement prior to loss; or
- b. required by local ordinance.

No Deductible applies to this Additional Coverage.

4. Fire Protection Device Recharge

We will pay, up to the limit listed in the Declarations for this Additional Coverage, to recharge or refill your fire protective devices that are permanently installed in buildings at the described premises.

This Additional Coverage only applies when such devices have been discharged while being used to combat a covered fire.

5. Loss Data Preparation

We will pay, up to the limit listed in the Declarations for this Additional Coverage, for reasonable costs you incur in preparing loss data required by policy conditions after a loss covered by this Coverage Part. This includes the cost of taking inventory, making appraisals and preparing other data to determine the extent of your loss. This does not include public adjusters fees.

6. Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the release, discharge or dispersal of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period.

The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- a. the date of direct physical loss or damage; or
- b. the end of the policy period.

The most we will pay for each location under this Additional Coverage is stated in the Declarations for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this Policy.

No Deductible applies to this Additional Coverage.

F. COVERAGE EXTENSIONS

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

1. Newly Acquired or Constructed Property

a. You may extend the insurance that applies to Building to apply to:

- (1) your new buildings while being built on the described premises;
- (2) buildings you acquire at locations, other than the described premises, intended for:

(a) similar use as the building described in the Declaration; or

(b) use as a warehouse.

The most we will pay for loss or damage under this Extension is the Limit of Insurance for this Coverage Extension, shown in the Declarations.

b. You may extend the insurance that applies to Your Business Personal Property to apply to that property at any location you acquire other than at fairs or exhibitions.

The most we will pay for loss or damage under this Extension is the Limit of Insurance for this Coverage Extension, shown in the Declarations.

c. Insurance under this Extension for each newly acquired or constructed property will end when any of the following occurs:

- (1) this Coverage Part expires;
- (2) 90 days expire after you acquire or begin to construct the property; or
- (3) you report values to us.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

d. If the coverage provided by this extension has expired due to Item (c) above, the Limit of Insurance shown in the Declarations for "At Any Other Location" will apply.

2. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your trees, shrubs and plants, piers, wharves, docks or retaining walls (not attached to buildings), including debris removal expense, caused by or resulting from any of the following causes of loss:

- a. fire;
- b. lightning;
- c. explosion;
- d. riot or Civil Commotion; or
- e. aircraft.

3. Personal Effects

You may extend the insurance that applies to Your Business Personal Property to apply to personal effects owned by you, your officers, your partners or your employees.

The most we will pay for loss or damage under this Extension is stated in the Declarations for this Extension per each described premises. Our payment for loss or damage to personal property of others will only be for the account of the owner of the property.

No Deductible applies to this Coverage Extension.

4. Water Damage, Other Liquids, Powder or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or

structure to repair damage to the system or appliance from which the water or other substance escapes.

G. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The limits applicable to the Coverage Extensions and all of the Additional Coverages are all in addition to the Limits of Insurance except for Collapse and Debris Removal.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. collapse;
2. debris removal; but if:
 - a. the sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
 - b. the debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;

we will pay up to the limit shown for Debris Removal on the Declarations for each location in any one occurrence under the Debris Removal Additional Coverage.

H. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

The Deductible clause does not apply to Business Income.

I. OPTIONAL COVERAGES

1. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.

b. The amount of increase will be:

- (1) the Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times;
- (2) the percentage of annual increase shown in the Declarations expressed as a decimal (example 8% is .08), times;
- (3) the number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If: The applicable Limit of Insurance is \$100,000

and the annual percentage increase is 8%

The number of days since the beginning of the policy year (or last policy change) is 146

The amount of increase is:
 $\$100,000 \times .08$
 $\times 146 \div 365 = \$3,200$

2. Ordinance or Law

- a. Each of the Coverages - Coverage A, Coverage B and Coverage C - applies only if that Coverage(s) is chosen by entry in the Declarations and then only with respect to the Building property identified for that Coverage(s) in the Declarations.
- b. We will not pay under this Optional Coverage for the costs associated with the enforcement of any ordinance or law which requires any Insured or others to test for, monitor, clean up, remove, contain, treat detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

c. Coverage A - Coverage for Loss to the Undamaged Portion of the Building

If there is a direct physical loss or damage from a Covered Cause of Loss to a covered Building property, we will pay under Coverage A for the loss in value of the undamaged portion of the building which is a consequence of enforcement of any ordinance or law that:

- (1) requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- (2) regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- (3) is in force at the time of the Covered Cause of Loss.

d. Coverage B - Demolition Cost Coverage

If there is a direct physical loss or damage from a Covered Cause of Loss to covered Building property, we will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

If attached, the **COINSURANCE** Additional Condition Endorsement does not apply to Demolition Cost Coverage.

e. Coverage C - Increased Cost of Construction Coverage

- (1) If there is a direct physical loss or damage from a Covered Cause of Loss to the covered Building property, we will pay for the increased cost to:

- (a) repair or reconstruct damaged portions of that Building property; and/or

- (b) reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

when the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However:

- (a) This coverage applies only if the restored or remodeled property is intended for similar occupancy to the occupancy prior to the loss or damage unless such occupancy is not permitted by zoning or land use ordinance or law.
- (b) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

If attached, the **COINSURANCE** Additional Condition Endorsement, does not apply to Increased Cost of Construction Coverage.

f. Loss Payment

(1) Coverage A

- (a) If the replacement cost valuation applies and the property is repaired or replaced on the same or another premises we will not pay more than the lesser of:

- (i) the amount you actually spend to repair, rebuild or reconstruct the building, but not more than the amount it would cost to restore the building on the same premises and to the same height, floor area,

style and comparable quality of the original property insured; or

- (ii) the Limit of Insurance shown in the Declarations as applicable to the covered building property.

- (b) If the replacement cost valuation applies and the property is not repaired or replaced, or if the replacement cost valuation does not apply we will not pay more than the lesser of:

- (i) the actual cash value of the building at the time of loss; or

- (ii) the Limit of Insurance shown in the Declarations as applicable to the covered building property.

(2) Coverage B

We will not pay more than the lesser of the following

- (a) the amount you actually spend to demolish and clear the site of the described premise; or

- (b) the applicable Limit of Insurance shown for Coverage B in the Declarations

(3) Coverage C

- (a) We will not pay under Coverage C:

- (i) until the property is actually repaired or replaced at the same or another premises; and

- (ii) unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend the period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premise, the most we will pay under Coverage C is the lesser of;

- (i) the increased cost of construction at the same premises; or

- (ii) the applicable Limit of Insurance shown for Coverage C in the Declarations

- (c) If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of;

- (i) the increased cost of construction at the new premises; or

- (ii) the applicable Limit of Insurance shown for Coverage C in the Declarations.

- g. Under this Optional Coverage we will not pay for loss due to any ordinance or law that

- (1) you were required to comply with before the loss, even if the building was undamaged; and

- (2) you failed to comply with.

3. Utility Services

- a. We will pay for direct physical loss or damage to Covered Property described in the Declarations by the interruption of any of the following services to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property, not on the described premises:

(1) **Water Supply Services**, meaning the following types of property supplying water to the described premises:

- (a) pumping stations; and
- (b) water mains.

(2) **Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

- (a) communication transmission lines, including optic fiber transmission lines;
- (b) coaxial cables; and
- (c) microwave radio relays except satellites.

(3) **Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described premises:

- (a) utility generating plants;
- (b) switching stations;
- (c) substations;
- (d) transformers; and
- (e) transmission lines.

b. The Utility Services Limit of Insurance as shown on the Declarations is part of, not in addition to, the Limit of Insurance stated in the Declarations, as applicable to the Covered Property.

J. DEFINITIONS

1. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, ac-

ids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

2. **"Stock"** means merchandise held in storage or for sale, raw materials and in process or finished goods, including supplies used in their packing or shipping.

3. **"Specified Causes of Loss"** means the following: Fire; lightning; explosion; wind-storm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

(1) the cost of filling sinkholes; or

(2) sinking or collapse of land into man-made underground cavities.

b. Falling objects does not include loss or damage to:

(1) personal property in the open; or

(2) the interior of a building or structure, or property inside a building or structure unless the roof or an outside wall of the building or structure is first damaged by a falling object.

c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.



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SB 86 05
(Ed. 11 97)

SELECT BUSINESS POLICY BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights and duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us", and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION H - DEFINITIONS**

A. COVERAGE

We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to property, including personal property in the open (or in a vehicle) within 1000 feet, of the premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including all routes within the building to gain access to the described premises and your personal property in the open (or in a vehicle) within 1000 feet your premises.

1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. continuing normal operating expenses incurred, including payroll.

B. COVERED CAUSES OF LOSS

Covered Causes of Loss means Risks of Direct Physical Loss unless the loss is:

1. excluded in Section C. Exclusions, of the Select Business Policy Building and Personal Property Coverage Form;
2. limited in Section D. Limitations of the Select Business Policy Building and Personal Property Coverage Form; or
3. excluded in Section C. Special Exclusions, below.

C. SPECIAL EXCLUSIONS

We will not pay for:

1. Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of the covered building.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.

2. Any loss caused by or resulting from:
 - a. damage or destruction of finished "stock"; or
 - b. the time required to reproduce finished "stock".

This exclusion does not apply to Extra Expense.

3. Any increase of loss caused by or resulting from:

- a. delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - b. suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations" we will cover such loss that affects your Business Income during the "period of restoration".
4. Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
5. Any other consequential loss.
6. Any loss caused by or resulting from damage or destruction of property in transit.

D. ADDITIONAL COVERAGES

1. Civil Authority

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss. The coverage will apply for a period of up to three consecutive weeks from the date of that action.

2. Extended Business Income

We will pay for the actual loss of Business Income you incur during the period that:

- a. begins on the date property (except finished "stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- b. ends on the earlier of:

(1) the date you could restore you "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or

(2) 60 consecutive days after the date determined in a. above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premise are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

3. Extra Expense

Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

a. We will pay any Extra Expense to avoid or minimize the suspension of business and to continue "operations:"

(1) at the described premises; or

(2) at the replacement premises or at temporary locations, including:

(a) relocation expenses; and

(b) costs to equip and operate the replacement or temporary locations.

b. We will pay any Extra Expense to minimize the suspension of business if you cannot continue "operations."

c. We will pay any Extra Expense to:

(1) repair or replace any property; or

- (2) research, replace or restore the lost information or damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

E. COVERAGE EXTENSION

1. Newly Acquired Locations

- a. You may extend your Business Income Coverage to apply to property at any location you acquire other than fairs or exhibits.

- b. The most we will pay, at each location, for loss under this Extension is the limit shown in the Declarations for this Coverage Extension.

- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

- (1) this policy expires;
- (2) 90 days expire after you acquire or begin to construct the property; or
- (3) you report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

2. Property At Any Other Location

- a. You may extend your Business Income Coverage to apply to property at any location other than described premises or newly acquired locations.
- b. The most we pay, at each location, for loss under this extension is the limit shown on the Declarations for this Coverage Extension.

F. LIMITS OF INSURANCE

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The limits applicable to the Coverage Extensions are in addition to the Limit of Insurance.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Extra Expense;
2. Civil Authority; or
3. Extended Business Income

G. OPTIONAL COVERAGES

1. Dependent Property Business Income

- a. When indicated in the Declarations, we will pay for the actual loss of business income you sustain due to necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to "dependent property" caused by or resulting from any Covered Cause of Loss.

- b. We will pay no more than the Limit of Insurance for Business Income or the limit in the Declarations for this Optional coverage, whichever is less.

- c. The following is added to Select Business Policy Conditions, Loss Condition **G. Resumption of Operations:**

2. We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations", in whole or in part, by using any other available:

- a. source of materials; or
- b. outlet for your products.

- d. The following is added to the **DEFINITIONS** section:

1. **"Dependent Property"** means property operated by others whom you depend on to:

- a. deliver materials or services to you, or to others for your account. Services does not mean water, communication or power supply services;
 - b. accept your products or services;
 - c. manufacture products for delivery to your customers under contract of sale; or
 - d. attract customers to your business.
2. "Period of Restoration" with respect to "dependent property" is the period of time that
- a. begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. ends on the date when the property at the premises of the "dependent property" should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- a. regulates the construction, use or repair, or requires the tearing down of any property; or
- b. requires any insured or others to test for monitor, clean up, remove, contain, treat detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

2. Ordinance or Law - Increased Period of Restoration

- a. When indicated in the Declarations that this coverage applies, if a Covered Cause of Loss occurs to property at the premises described in the Declaration, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of suspension of "operations" caused by or resulting from the enforcement of any ordinance or law that:
 - (1) regulates the construction or repair of any property;
 - (2) requires that tearing down of parts of any property not damaged by a Covered cause of Loss; and
 - (3) is in force at the time of loss.

However, coverage is not extended under this endorsement to include loss caused by or resulting from the enforcement of any ordinance or law which requires any Insured or other to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effect of "pollutants".

- b. The **PERIOD OF RESTORATION** definition is replaced by the following:

3. "Period of Restoration" means the period of time that:

- a. begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
- b. ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality.